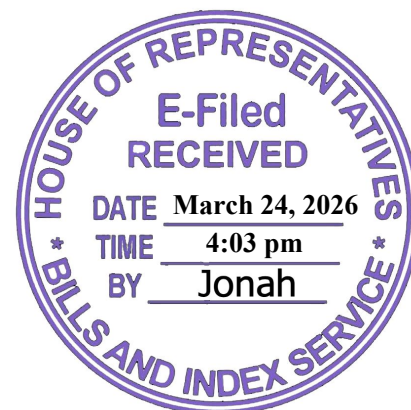


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8763**



Introduced by Representatives Jose Manuel F. Alba and Anna Victoria Veloso-Tuazon

EXPLANATORY NOTE

Republic Act No. 7900 was enacted at a time when the Philippine agricultural sector was primarily focused on increasing productivity and diversifying crops. While the law laid an important foundation for promoting high-value crops, the realities of today's agricultural landscape demand a more strategic, integrated, and future-oriented approach.

Three decades later, Philippine agriculture continues to face structural constraints: low farm productivity, limited value-adding, weak linkages to processing and markets, and the persistent vulnerability of farmers to climate change. Despite the country's rich natural resources, vast tracts of marginal, idle, and underutilized lands remain unproductive. At the same time, global agricultural systems are rapidly evolving—driven by innovation, sustainability imperatives, and the emergence of the bioeconomy.

The Philippines risks being left behind unless it transitions from a production-oriented model to a value-driven, innovation-led, and climate-resilient agricultural system.

This proposed measure seeks to modernize and strengthen R.A. No. 7900 by embedding strategic agro-industrialization at the core of high-value agriculture development. It recognizes that increasing farmer incomes and rural employment can no longer rely on primary production alone. Instead, it requires the deliberate integration of production with processing, logistics, digital systems, and export-oriented value chains through the establishment of High-Value Agro-Industrial Clusters (HVAICs) across the country.

Moreover, the bill addresses the urgent need to rehabilitate and maximize the use of marginal and degraded lands through sustainable agro-forestry systems. By promoting tree-based high-value crops such as cacao, coffee, coconut, bamboo, and other climate-resilient commodities, the measure simultaneously advances environmental restoration, biodiversity conservation, and livelihood generation—particularly in upland and indigenous communities.

A key innovation of this proposal is the institutionalization of a Philippine Bioeconomy and Agricultural Innovation System. Recognizing that the future of agriculture lies in science, technology, and circular resource use, the bill promotes biotechnology, precision agriculture, digital farming, and the development of bio-based industries. It strengthens the linkage between

research institutions, state universities and colleges, and the private sector to ensure that innovation translates into tangible economic gains.

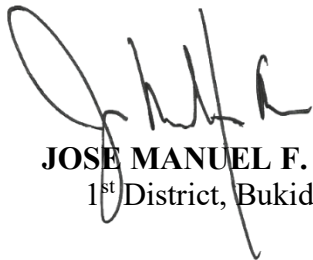
To ensure focused and accountable implementation, the measure creates the Office of the Undersecretary for Agro-Industrialization, Bioeconomy and Innovation (OUABI) under the Department of Agriculture. This office will provide strategic leadership, coordinate national efforts, and mobilize investments toward building a modern, competitive, and sustainable agricultural sector.

The bill further strengthens the High-Value Crops Development Fund by significantly increasing its capitalization and aligning its allocation with critical priorities such as agro-industrial infrastructure, research and development, agroforestry, digital agriculture, and farmer capacity building. It also introduces targeted incentives to attract private investments, support farmer cooperatives, and accelerate the growth of bio-based enterprises.

Ultimately, this measure is anchored on a clear vision: to transform Philippine agriculture into a dynamic, climate-resilient, innovation-driven, and globally competitive sector that uplifts the lives of farmers and rural communities. It ensures that agrarian reform beneficiaries, indigenous peoples, women, and youth are not left behind but are empowered as key participants in agricultural transformation.

In an era defined by climate change, technological disruption, and shifting global markets, incremental reforms are no longer sufficient. What is needed is a bold and comprehensive strategy that connects agriculture to industry, innovation, and sustainability.

The passage of this bill is therefore earnestly sought.



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TWENTIETH CONGRESS
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HOUSE BILL NO. **8763**

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AN ACT
STRENGTHENING THE HIGH-VALUE CROPS DEVELOPMENT PROGRAM BY
INSTITUTIONALIZING STRATEGIC AND TARGETED AGRO-
INDUSTRIALIZATION, PROMOTING SUSTAINABLE AGRO-FORESTRY AND
EFFICIENT UTILIZATION OF MARGINAL LANDS, BUILDING A ROBUST BIO-
ECONOMY AND AGRICULTURAL INNOVATION SYSTEM, CREATING FOR
THE PURPOSE THE OFFICE OF THE UNDERSECRETARY FOR AGRO-
INDUSTRIALIZATION, BIO-ECONOMY AND INNOVATION UNDER THE
DEPARTMENT OF AGRICULTURE, AMENDING FOR THE PURPOSE REPUBLIC
ACT NO. 7900, AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as “*High-Value Agriculture, Agro-Industrialization and Bio-economy Act*”

SEC. 2. *Declaration of Policy.* – Section 2 of Republic Act No. 7900 is hereby amended to read as follows:

“It is hereby declared the policy of the State to:

- Accelerate inclusive and sustainable agricultural growth through strategic and targeted agro-industrialization;
- Develop globally competitive, climate-resilient, and innovation-driven high-value crop industries;
- Promote sustainable agro-forestry systems and integrated farming models that enhance biodiversity, restore degraded lands, and improve rural incomes;
- Ensure the efficient and productive utilization of marginal, idle, underutilized and degraded lands;
- Build a robust Philippine Bioeconomy and Agricultural Innovation System, harnessing renewable biological resources, biotechnology, digital agriculture, and circular economy approaches;
- Strengthen value-adding, processing, logistics, and export competitiveness of high-value crops; and

- Enhance farmer incomes, rural employment, and equitable participation of agrarian reform beneficiaries, indigenous peoples, women, and youth.”

SEC. 3. *Expanded Definition of Terms.* – Section 4 of R.A. No. 7900 is hereby amended to include the following:

- (a) Agro-industrialization – the strategic integration of agricultural production with value-adding processing, logistics, marketing, and industrial applications.
- (b) Agro-forestry – sustainable land-use systems integrating trees, perennial crops, annual crops, and/or livestock in spatial or temporal arrangements to enhance productivity, resilience, and ecological services.
- (c) Marginal Lands – lands with physical, climatic, or soil constraints limiting conventional agriculture, including degraded uplands, sloping lands, idle coconut areas, and climate-vulnerable zones.
- (d) Bio-economy – economic activities derived from the sustainable production and conversion of renewable biological resources into food, feed, fiber, bio-based products, and bioenergy.
- (e) Agricultural Innovation System – the network of institutions, policies, research organizations, enterprises, and farmers that collectively develop and apply new technologies and knowledge.

SEC. 4. *Strategic Agro-Industrial Clustering.* – A new section is inserted establishing:

- (1) National High-Value Agro-Industrial Clusters (HVAICs) across Luzon, Visayas, and Mindanao;
- (2) Cluster-based planning integrating production zones, post-harvest facilities, processing hubs, cold chain, digital traceability systems, and export gateways;
- (3) Identification of priority commodities per ecological zone;
- (4) Public-private partnerships (PPP) for agro-processing and bio-based industries.

SEC. 5. *Sustainable Agroforestry and Marginal Land Development Program.* – The Department of Agriculture (DA), in coordination with DENR, DAR, DOST, SUCs, and LGUs, shall:

- Identify and map marginal and degraded lands suitable for agroforestry;
- Promote climate-smart, biodiversity-friendly high-value crop systems;
- Provide incentives for tree-based high-value crops such as cacao, coffee, rubber, coconut intercropping, bamboo, spices, and medicinal plants;
- Integrate carbon sequestration, ecosystem services valuation, and green financing mechanisms.

SEC. 6. *Establishment of the Philippine Bioeconomy and Innovation Program for High-Value Agriculture.* – A national program is hereby created to:

- Support biotechnology, precision agriculture, digital farming, and bio-input development;
- Strengthen linkages between DA, DOST, CHED, SUCs, and private R&D institutions;
- Establish Bio-economy Innovation Hubs in major agro-industrial clusters; and

- Promote commercialization of research outputs and start-ups in bio-based industries.

SEC. 7. *Creation of the Office of the Undersecretary for Agro-Industrialization, Bio-economy and Innovation.* – There is hereby created under the Department of Agriculture the *Office of the Undersecretary for Agro-industrialization, Bio-economy and Innovation (OUABI)*.

The Undersecretary shall:

- Lead national agro-industrial cluster development;
- Oversee bio-economy and innovation programs;
- Coordinate high-value crop industrial roadmaps;
- Mobilize domestic and international investments;
- Align DA programs with national innovation and industrial strategies;
- Submit annual reports to Congress.

The OUABI shall supervise a technical bureau to be known as the *Bureau of Agro-industrialization and Bio-economy Development (BAIBD)*.

SEC. 8. *Strengthening of the High-Value Crops Development Fund (HVCDF).* – Section 8 of R.A. No. 7900 is amended to:

- (1) Increase capitalization to Ten Billion Pesos (₱10,000,000,000) over five (5) years;
- (2) Allocate at least:
 - 25% for agro-industrial infrastructure
 - 20% for R&D and innovation
 - 20% for agroforestry and marginal land rehabilitation
 - 15% for credit and risk-sharing mechanisms
 - 10% for digital agriculture and traceability systems
 - 10% for capacity building and extension services;
- (3) Allow blending with climate finance, green bonds, multilateral financing, and PPP investments.

SEC. 9. *Incentives for Sustainable High-Value Agriculture.* – In addition to existing incentives, the following shall be provided:

- Tax incentives for agro-processing investments in designated clusters;
- Credit guarantee programs for bio-based enterprises;
- Green incentives for climate-resilient and agroforestry adopters;
- Grants for farmer cooperatives establishing primary processing facilities.

SEC. 10. *Monitoring, Evaluation and Impact Measurement.* – The DA shall establish a Results-Based Monitoring Framework including:

- (1) Increase in farmer income;
- (2) Hectares converted to sustainable agro-forestry systems;
- (3) Reduction of degraded lands;
- (4) Growth in export revenues;

- (5) Greenhouse gas mitigation indicators;
- (6) Value-add share in agricultural GDP.

An annual High-Value Agriculture and Bio-economy Report shall be submitted to Congress.

SEC. 11. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the DA. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 12. *Implementing Rules and Regulations* – Within ninety (90) days after the effectivity of this Act, the DA shall promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 9. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,